

Message Text

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UNCLAS STATE 042844 TOSEC 040186

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TAGS: SOPN (KISSINGER, HENRY A.)

SUBJECT: TRAVELING PRESS REPORTAGE, SATURDAY, FEBRUARY 21,
1976

NO. 12

NEWSPAPERS

WASHINGTON POST (OMANG), BRASILIA, SAYS: "THE PRESTIGE OF
BEING FAVORED WITH A U.S. CONSULTATION AGREEMENT SEEMS
CERTAIN TO STRENGTHEN PRES. GEISEL SUGGESTING HE MAY NOW
SWING MORE WEIGHT AGAINST EXTREME RIGHTISTS IN HIS GOVERN-
MENT.

"..PACT IN WHICH SECRETARY AND BRAZILIAN FM PLEDGE MUTUAL
DISCUSSION OF INTERNATIONAL ISSUES IMPLIES THE U.S. NOW
REGARDS BRAZIL AS AN IMPORTANT POWER AND WILL BEGIN PAYING
MORE ATTENTION TO IT.

"IN RETURN, KISSINGER CLEARLY HOPES TO WEAKEN ANY BRAZILIAN
ENTHUSIASM FOR NONALIGNMENT. ONE INDICATION OF SUCCESS
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IS THE ASSURANCE HE RECEIVED TODAY IN PRIVATE DISCUSSIONS
WITH BRAZILIAN OFFICIALS THAT THE GIANT COUNTRY HAS
DECIDED NOT TO JOIN ANY RAW MATERIAL PRODUCER CARTELS.

"THIS PLEDGE WOULD APPEAR TO INSURE AGAINST HUGE PRICE RISES ON A NUMBER OF PRODUCTS, INCLUDING IRON, MANGANESE AND BAUXITE. ..

"THE CONSULTATION AGREEMENT SHOULD ENCOURAGE U.S. BUSINESS INTERESTS HERE, WHICH WOULD BENEFIT THE GEISEL GOVERNMENT AT A TIME WHEN BRAZIL IS SUFFERING FROM A BALANCE OF PAYMENTS PROBLEM AND AN ECONOMIC DOWNTURN.

"NEWSPAPERS HERE HAILED THE AGREEMENT QUOTING AT LENGTH KISSINGER'S PRAISE LAST NIGHT OF BRAZIL'S INFLUENCE, PROGRESS AND GROWTH POTENTIAL...

"HOWEVER, BRAZILIAN FM SAID IN A PRESS CONFERENCE THAT BRAZIL EXPECTS MORE THAN WORDS OF FRIENDSHIP FROM THE U.S. APPEARING TO WARN AGAINST TAKING FOR GRANTED LOW PRICES FOR BRAZIL'S RAW MATERIAL EXPORTS, HE SAID BRAZIL WAS WILLING TO FIND 'OTHER ALTERNATIVES' FOR ITS PRODUCTS IF EXPECTED U.S. ACTION ON REDUCTION OF TARIFF BARRIERS IS NOT SATISFACTORY. ...

NEW YORK TIMES (KANDELL), BRASILIA, SAYS: "SECRETARY AND RANKING BRAZILIAN OFFICIALS MET FRIDAY BUT APPEARED FAR APART ON KEY ISSUES STRAINING RELATIONS.

BRAZILIAN OFFICIALS SAID THEY WERE PLEASED WITH THE CONSULTATIVE AGREEMENT...RECOGNIZING BRAZIL'S ASPIRATIONS TO EVENTUAL WORLD-POWER STATUS AND PROVIDING FOR REGULAR CONSULTATIONS.

"BUT AT SAME TIME THEY SAID THEY WERE MORE CONCERNED ABOUT MAKING HEADWAY ON SPECIFIC ECONOMIC PROBLEMS, PARTICULARLY A GROWING TRADE GAP HEAVILY IN FAVOR OF THE U.S.

ARTICLE GOES ON TO EXPLAIN ECONOMIC IMPACT OF BRAZIL'S BALANCE OF PAYMENTS PROBLEM WITH U.S. AND QUOTES FM SAYING U.S.-BRAZIL RELATIONS MUST BE FRUITFUL AS WELL AS CORDIAL.
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FM ALSO SAYS: "U.S. INVOLVEMENT IN BRAZIL'S DEVELOPMENT MUST REMAIN AT AN ACCELERATED PACE, OR ELSE BRAZIL WILL LOOK FOR OTHER ECONOMIC OPTIONS, AND THESE OPTIONS, CAN BE POLITICAL ONES AS WELL. ...

ARTICLE CONTINUES..."ACCORDING TO UNITED STATES STATE DEPARTMENT OFFICIALS, THE BRAZILIANS EXPRESSED CONCERN THAT COUNTERVAILING DUTIES ALREADY IMPOSED ON SOME BRAZILIAN-MANUFACTURED EXPORTS TO THE UNITED STATES SUCH AS SHOES AND LEATHER BAGS, MIGHT BE EXTENDED TO OTHER BRAZILIAN GOODS.

"THE BRAZILIANS REGARD THESE DUTIES AS A FORM OF TRADE

PROTECTIONISM, AND UNJUSTIFIABLE BECAUSE OF THE TRADE
IMBALANCE.

"A HIGH U.S. STATE DEPARTMENT OFFICIAL ACKNOWLEDGED THAT
A 'REAL BREAKDOWN' ON TRADE ISSUES WOULD BE 'POTENTIALLY
DISRUPTIVE' TO U.S. BRAZILIAN RELATIONS."

NO CHICAGO TRIBUNE OR LOS ANGELES TIMES AVAILABLE TODAY.

NO O'LEARY ARTICLE IN WASHINGTON STAR TODAY.

BALTIMORE SUN (TREWITT) ANALYTICAL PIECE SAYS: "THE U.S.
AND BRAZIL FOUND IT EASIER YESTERDAY TO AGREE ON THE NEED
TO COOPERATE TO ACHIEVE WORLD STABILITY THAN TO SOLVE THEIR
BILATERAL PROBLEMS -- ESPECIALLY THEIR ECONOMIC PROBLEMS.

"TODAY SECRETARY AND BRAZILIAN FM WILL SIGN AGREEMENT TO
CONSULT ON GLOBAL ISSUES. BOTH GOVERNMENTS PLAINLY SAW
IT AS AN IMPORTANT GEOPOLITICAL EVENT, LINKING A NUCLEAR
SUPERPOWER AND A NATION WITH VAST UNTAPPED RESOURCES.

"BOTH OBVIOUSLY HAVE STRATEGIC INTERESTS AT STAKE. FOR THE
U.S. BRAZIL MEANS RAW MATERIALS IN A SHRINKING WORLD AND A
VALUABLE PARTNER IN KEEPING DOWN SOVIET INFLUENCE, DIRECTLY
EXERCISED OR INDIRECTLY THROUGH CUBA, IN THE HEMISPHERE.

"FOR BRAZIL, THE U.S. REPRESENTS MARKETS AND CAPITAL, WITH
STRATEGIC PROTECTION AROUND THE WORLD.
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"VAGUE HINTS SURFACE HERE ABOUT EVEN STRATEGIC COOPERATION
IN THE SOUTH ATLANTIC SOMEDAY. BRAZILIAN OFFICIALS WORRY
MORE OR LESS OPENLY ABOUT SEA LANES BETWEEN BRAZIL AND
AFRICA.

"THE REASON FOR THEIR CONCERN, OF COURSE, IS THE PROBABLE
SOVIET INFLUENCE IN SOUTHWEST AFRICA, GIVEN THE APPARENT
VICTORY IN ANGOLA BY SOVIET-SUPPORTED, CUBAN LED FORCES...
FM EVEN MENTIONED THAT INTEREST OPAQUELY AND OUT OF
CONTEXT IN ONE OF HIS TOASTS DURING SECRETARY'S VISIT...

"BUT BRAZIL'S LEADERS ALSO WANT MORE THAN MR. KISSINGER'S
RECOGNITION AS A BLOSSOMING WORLD POWER OUT OF THE NEW
RELATIONSHIP. MR. AZEREDO DA SILVEIRA ALSO SAID, IN
EFFECT, THAT FLATTERY ALONE WOULD GET MR. KISSINGER
NOWHERE. AUTOMATIC ALIGNMENTS, HE OBSERVED, 'MAY FLATTER
THE LEADER, BUT IN THE LONG RUN THEY COMPROMISE THE VERY
EFFECTIVENESS OF THE COOPERATION.'

"WHAT BRAZIL'S MILITARY GOVERNMENT WANTS, FIRST OF ALL,
IS HELP IN GETTING OUT OF ITS ECONOMIC BIND. WITH ALL
ITS GREAT RESOURCES, ONE IT DOES NOT HAVE IS OIL.

DURING THE LAST TWO YEARS, ITS OIL IMPORT BILL HAS SOARED.

"BRAZIL IS PARTICULARLY IRRITATED BY COUNTERVAILING DUTIES IMPOSED AGAINST IT UNDER THE U.S. TRADE ACT. ...

"BUT THAT IS A WHOLE SUBJECT OF DEBATE AND NO ONE HAD FIRM ANSWERS IN WHAT WERE DESCRIBED AS 'VERY FRANK'-IN DIPLOMATESE THAT MEANS TOUGH-DISCUSSIONS HERE YESTERDAY...

-U.S. OFFICIALS APPARENTLY BELIEVE THERE IS ROOM FOR REDRESSING THE BALANCE THROUGH GATT RULES AND THROUGH BRAZIL'S MANIPULATION OF ITS ECONOMY. BUT EVEN SO, THE PROBLEM OF COUNTERVAILING DUTIES IS MERELY SYMBOLIC IN LIGHT OF THE OVERALL DEFICIT.

"FOR THE LONGER TERM, U.S. OFFICIALS LOOK TO EXTENSION OF DEBTS, GREATER CAPITAL INVESTMENT FROM THE U.S. AND EXPANSION OF BRAZILIAN EXPORTS. WHAT WAS CLEAR WAS THE UNCLASSIFIED

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ABSENCE OF HARD ANSWERS AND THE CERTAINTY THAT THE CONSULTATIVE COMMISSION WILL HAVE PLENTY TO DO IN THE FIELD OF BILATERAL TRADE.

"ONE ENCOURAGING DEVELOPMENT FROM THE U.S. STANDPOINT WAS BRAZIL'S OFFICIAL CONFIRMATION OF POLICY AGAINST PRODUCER CARTELS...ON SPECIFIC COMMODITIES. ...

"BRAZILIAN OFFICIALS SHOW LITTLE SYMPATHY FOR A STANDARD U.S. ANSWER TO COMPLAINTS THAT THE EXECUTIVE BRANCH IN WASHINGTON IS GOING THROUGH A TIME OF GREAT DIFFICULTY WITH CONGRESS. YET IT SEEMS ALMOST CERTAIN THAT A NEWLY ASSERTIVE CONGRESS WILL BE MORE THAN IDLY CURIOUS ABOUT THE KIND OF RELATIONSHIP THE U.S. IS ENTERING WITH THE RIGHT-WING MILITARY DICTATORSHIP HERE.

"DISCUSSIONS HERE ILLUSTRATED AT LEAST THE EXTENT TO WHICH PAROCHIAL ISSUES WILL COMPLICATE MR. KISSINGER'S LARGER STRATEGIC DESIGN. PROBABLY NO ONE EXPECTED THE DESIGN TO TAKE SHAPE QUICKLY. ONE IMPORTANT ASPECT OF ITS DEVELOPMENT WILL BE REACTION TO OTHER GOVERNMENTS, ESPECIALLY OTHER LATIN AMERICAN GOVERNMENTS.

"THE CONSULTATIVE COMMISSION CLEARLY WAS MEANT TO BE THE CENTERPIECE OF MR. KISSINGER'S EIGHT-DAY LATIN TOUR. ..."

NY TIMES EDITORIAL ENTITLED 'HYPERBOLE IN BRASILIA'; "HYPERBOLE IS STANDARD FARE AT BANQUETS FOR VISITING STATESMEN; BUT SECRETARY OF STATE KISSINGER'S 15-PAGE PAEAN OF PRAISE FOR BRAZIL -- AND BY IMPLICATION FOR ITS AUTHORITARIAN MILITARY REGIME -- WENT BEYOND THE BOUNDS

OF REASON. THE SPEECH WILL HARM THIS COUNTRY'S RELATIONS WITH OTHER LATIN AMERICAN NATIONS, GIVE RESPECTABILITY TO LEFTIST CHARGES OF COLLUSION BETWEEN BRASILIA AND WASHINGTON, AND BOLSTER THE IMAGE OF THE UNITED STATES AS SUPPORTER OF RIGHT-WING DICTATORSHIPS.

"IT WAS A SPEECH THAT WILL BE HARMFUL EVEN TO BRAZIL, FOR IT CATERED TO A KIND OF "MANIFEST DESTINY" COMPLEX AND GREAT-POWER AMBITION THAT ARE NEVER FAR BELOW THE UNCLASSIFIED

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SURFACE IN THAT COUNTRY AND THAT HAVE LONG BEEN A CAUSE OF CONCERN TO BRAZIL'S NEIGHBORS. FOR THE OTHER AMERICAS, EXPECIALLY FOR THOSE SHARING A COMMON BORDER WITH BRAZIL, MR. KISSINGER'S PANEGYRIC WILL UNPLEASANTLY RECALL

PRESIDENT NIXON'S GREETING TO PRESIDENT MEDICI IN 1971 THAT 'AS BRAZIL GOES, SO WILL GO THE REST OF THE LATIN-AMERICAN CONTINENT.'

"MR. KISSINGER HAS PROPOSED, IN AN AGREEMENT TO BE SIGNED TODAY, A SPECIAL UNITED STATES RELATIONSHIP WITH BRAZIL THAT IN POLITICAL CONSULTATION WOULD BE EQUAL TO THIS COUNTRY'S TIES WITH CANADA WHEN THEY WERE AT THEIR CLOSEST -- NOW, REGRETTABLY, SOME TIME AGO, IN HIS FULSOME TOAST, MR. KISSINGER PROMISED THAT WASHINGTON WOULD CONSULT BILATERALLY WITH BRAZIL 'ON ALL MAJOR EVENTS OF INTERNATIONAL SIGNIFICANCE.'

"IF TAKEN SERIOUSLY, THE AGREEMENT WILL RAISE FALSE HOPES ASWELL AS FEARS. MR. KISSINGER DELUDES HIMSELF IF HE BELIEVES THE PACT WILL BRING BRAZIL BACK TO WASHINGTON'S SIDE ON SUCH ISSUES AS ANGOLA, WHERE BRAZIL LONG AGO RECOGNIZED THE POPULAR MOVEMENT, OR THE MIDDLE EAST, WHERE BRAZIL VOTED FOR THE UNITED NATIONS RESOLUTION EQUATING RACISM WITH ZIONISM.

"THE UNITED STATES SHOULD, OF COURSE, STRIVE FOR GOOD RELATIONS WITH BRAZIL AND SHOULD NEVER THWART THAT COUNTRY'S LEGITIMATE ASPIRATIONS ON THE WORLD SCENE, COMMENSURATE WITH ITS VAST SIZE AND POTENTIAL. AT A TIME, HOWEVER, WHEN PRESIDENT GEISEL IS RETREATING UNDER MILITARY PRESSURE FROM EVEN THE MODEST POLITICAL LEAVENING HE HAD BEGUN, THE SECRETARY OF STATE AT THE BANQUET IN BRASILIA WOULD HAVE BEEN WISER TO HAVE BEEN SOMEWHAT LESS THAN SYCOPHANTIC."

AP (FREED) BRASILIA: "SECRETARY OF STATE KISSINGER WAS TO SIGN AN ACCORD IN THIS BRAZILIAN CAPITAL TODAY BEFOREFLYING ON TO RIO DE JANEIRO TO CONTINUE HIS LATIN AMERICAN UNCLASSIFIED

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TOUR.

"THE U.S.-BRAZILIAN AGREEMENT PROMISES U.S. CONSULTATIONS WITH BRAZIL ON ANY MAJOR GLOBAL DECISION AND ACCELERATES THE MOVEMENT ADVANCED AMERICAN TECHNOLOGY TO BRAZIL.

"IT ALSO SETS UP PROCEDURES TO HANDLE DISPUTES OVER TRADE POLICY WHICH KISSINGER WAS UNABLE TO SETTLE DURING HIS VISIT HERE.

"BRAZIL, WHICH HAS A \$1.6 BILLION DEFICIT IN TRADE WITH THE UNITED STATES, IS CONCERNED ABOUT U.S. DUTIES ON GOVERNMENT-SUBSIDIZED BRAZILIAN GOODS THAT ADD ABOUT \$200 MILLION A YEAR TO THE COST OF PRODUCTS SENT TO THE U.S.

"U.S. OFFICIALS SAID KISSINGER WAS UNABLE NEGOTIATE THE POINT BECAUSE DUTIES ARE SET BY LAW WHICH ONLY CONGRESS CAN CHANGE.

"THEY SAID THE DISPUTE OVER TRADE POLICY IS AT THE HEART OF U.S.-BRAZILIAN RELATIONS AND FAILURE TO FIND A SOLUTION COULD BE A SERIOUS DISRUPTION...."

UPI (WALTE) BRASILIA: "BRAZIL AND THE U.S. AGREED TODAY TO CONSULT AND COOPERATE ON INTERNATIONAL AND BILATERAL AFFAIRS IN A POLITICALLY ORIENTED ACCORD UNIQUE IN U.S.-LATIN AMERICAN RELATIONS. ...

"THE NEW AGREEMENT, DESIGNED IN PART TO REFLECT BRAZIL'S EMERGENCE AS AN ECONOMIC AND POLITICAL POWER, IS BY AND LARGE A POLITICAL ACCORD WITHIN WHICH ALL ASPECTS OF U.S.-BRAZILIAN RELATIONS WILL BE DISCUSSED TWICE A YEAR, IN WASHINGTON AND BRASILIA, AT THE MINISTERIAL LEVEL.

"KISSINGER, WHO DURING HIS OFFICIAL VISIT HERE HAS URGED BRAZIL TO PLAY A MORE ACTIVE ROLE IN HEMISPHERIC AND WORLD AFFAIRS, SAID THE AGREEMENT WILL ENGAGE THE TWO GOVERNMENTS 'IN THE KIND OF INTIMATE AND INTENSIVE DELIBERATIONS ON MAJOR WORLD AND BILATERAL ISSUES WHICH THE SCOPE OF OUR RESPECTIVE INTERNATIONAL INTERESTS AND RESPONSIBILITIES REQUIRES.'

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"BEFORE LEAVING FOR BRAZIL'S FORMER CAPITAL OF RIO DE JANEIRO, KISSINGER WAS TO JOIN PRESIDENT ERNESTO GEISEL IN A STADIUM TO WATCH BRAZIL'S NATIONAL SOCCER TEAM PLAY AN ALL-STAR TEAM. SOCCER, ALMOST A CULT IN BRAZIL, IS ONE OF KISSINGER'S FAVORITE SPECTATORS SPORTS.

"BRAZIL, A PRINCIPAL U.S. SUPPLIER OF IRON ORE AND COFFEE,

ASSURED KISSINGER IT WOULD NOT JOIN ANY INTERNATIONAL
COMMODITIES CARTEL TO PUT A PRICE SQUEEZE ON INDUSTRIAL
NATIONS.

"UNDER THE AGREEMENT, THE TWO COUNTRIES WILL MEET
PERIODICALLY AT THE MINISTERIAL LEVEL FOR CONSULTATIONS ON
POLITICAL ISSUES, BOTH HEMISPHERIC AND DNTERNATIONAL;
TRADE PROBLEMS, PARTICULARLY EXPORT SUBSIDIES AND TRADE
BALANCES; THE TRANSFER OF SCIENTIFIC ADVANCES AND ENERGY,
SPACE AND OCEAN RESOURCES DEVELOPMENT."

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